Michelle Lujan-Grisham Governor

Melanie A. Kenderdine Cabinet Secretary

Ben SheltonDeputy Secretary

Erin Taylor
Deputy Secretary

Albert Chang Division Director Oil Conservation Division



NOTICE

Process Updates re: Submissions of Form C-148 Reporting for Recycling and Re-use of Produced Water, Drilling Fluids and Liquid Oil Field Waste

12/1/2025

The Oil Conservation Division (OCD) is in the process of updating its current OCD Permitting C-148 submission process and procedures that have largely been unchanged since the implementation of 19.15.34 NMAC "PRODUCED WATER, DRILLING FLUIDS AND LIQUID OIL FIELD WASTE" in 2015. The current C-148 process is in a state where data is manually tracked, and does not provide the OCD, Operators, and the public with the ability to quickly and properly evaluate the volumetric data of produce water re-use.

The C-148 form is used by Operators to report Produce Water re-use at recycling facilities pursuant to 19.15.34 NMAC. The updates to OCD Permitting will provide better alignment with the provision of 19.15.34 NMAC, digitize the C-148 form, update OCD Permitting Pits & Containments details, Facility details and provide new data reports to the public.

To achieve the goal of implementing a digital C-148 submission OCD implemented the following changes in OCD Permitting on Monday September 1, 2025.

- Removed the "Tanks" category to include any associated display, edit or search screens.
- Converted historic "Pits" details to align with 19.15.17 and 19.15.34 NMAC.
- Created a NEW Pits & Containments search category along with new unique "Y" numbers that identify Pits & Containments. These numbers work like "n" Incidents and "f" facility ID numbers.
- Implemented Ownership/Operator history to Pits & Containments, and Facilities.
- Added new facility "Status" and "Stages" (Most of these statuses are generic Places holders while we work to implement these for more programs).

Beginning January 2026, Operators shall submit a form C-148 monthly on or before the last day of the following month (~ 30 days) in which it had an "active" status recycling facility in connection with the development or production of oil or gas. Operators who have not submitted C-148 for reporting periods January 2025-December 2025 will be required to submit their C-148's on the new digital C-148 starting with the earliest missing reporting period and working forward. Due to the cumulative nature of the new C-148's, OCD strongly suggests that Operators who previously submitted C-148 for the January 2025-December 2025 reporting periods re-report using the new digital C-148's, starting with the January 2025 reporting period and working their way forward.

Prior to the January 2026 implementation, OCD requests Operators review their Recycling Facility and Containment information in OCD permitting to ensure it is complete and correct. To limit the impact to Operators and the public, OCD staff worked diligently to validate the Recycling Facility & Containments utilizing data from the emails/image the Division has received since September 2025 roll out. However, due to the inconsistent nature of the historic data collected from Pits and Recycling containments, OCD was unable to convert all historic pits into fully functioning "Pits & Containments" this will likely affect some Operators during the January 2026 reporting period.

To minimize C-148 errors Operators should verify the following information for each Recycling Facility and Containment in OCD Permitting:

- Facility Information:
 - o Location data is complete and correct ULSTR Latitude/Longitude
 - o "Status" is correct i.e Active or Inactive
 - o "Stage" is correct most active facilities should be "Closure not Accepted, Pending Submissions of Monthly/Annual Reporting from Operators"
 - This means the site has been registered, and a commencement of Operations notice/date has been entered
 - Facility Dates
 - Active Facilities should have:
 - Site Registered date
 - Commencement of Operations Notice date
 - Inactive Facilities should have:
 - Site Registered Date
 - Commencement of Operations Notice
 - Cessation of Operations Notice
 - Closure/Reclamation/Revegetation Report
 - Facility Ownership history
 - Pits & Containments: Each containment and storage tanks associated to a recycling facility should now have a unique "Y" number. Operators should verify that the correct number of Containments and tanks are present.
 - (Note: Multiple Steel Tanks **that are NOT containment** volumes should be added together and only have one "Y" number should represent all the tanks.)

• Containment Information:

- o Name: Most Pits were given random generated Names; Operators can request the containment be named to help Identify it on the C-148.
- O Rule: Ensure that the correct rule is associated to the Pit/Containment
 - 17 = 19.15.17 NMAC
 - 34 = 19.15.34 NMAC
- Location data is complete and correct ULSTR Latitude/Longitude should be to the center of the containment
- o "Status" is correct I.E Active or Inactive
- o "Stage" is correct most active facilities should be "Closure not Accepted, Pending Submissions of Monthly/Annual Reporting from Operators"
 - This means the site has been registered, and a commencement of Operations notice/date has been entered
- Construction and Liner Materials
- Capacity = Operation Capacity total volume **minus the required 3' of freeboard**.
- Pit & Containment Dates
 - Active Facilities should have:
 - Site Registered date
 - Commencement of Operations Notice date
 - Inactive Facilities should have:
 - Site Registered Date
 - Commencement of Operations Notice
 - Cessation of Operations Notice
 - Closure/Reclamation/Revegetation Report
 - Containment Ownership History

During the December review period if you need corrections to your facility/containments contact Victoria Venegas at <u>Victoria.Venegas@emnrd.nm.gov</u> or (575) 909-0269. Please include the Facility ID, Containment ID and any changes that need to be made.

Questions regarding C-148 submissions can be directed to Victoria, or Cory Smith Cory.Smith@emnrd.nm.gov (505)419-2687

Sincerely,

Albert Chang

Albert Chang

Division Director Oil Conservation Division

Energy, Minerals, Natural Resources Department

C-148 Recycling Facility and Containment Reporting Rules/Guidance

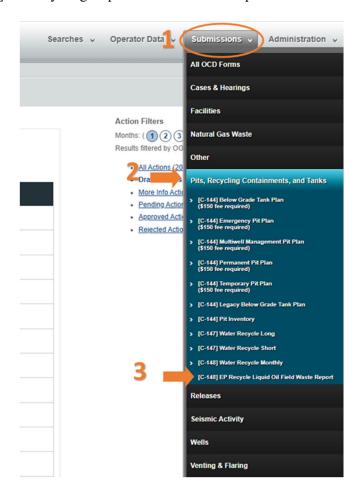
Pursuant to 19.15.2.10, 19.15.2.12 and 19.15.3.9(E) NMAC Operators shall submit monthly a form C-148 on or before the last day of the following month (~30 days) in which it had an "active" status recycling facility in connection with the development or production of oil or gas.

Example: January 2026 C-148 reporting period would be due on or before February 28, 2026

<u>Note:</u> Operators must report for every "active" recycling facility each month even if there was 0 BBLs recycled or reused.

To submit a C-148 Operators must be logged into OCD Permitting using a valid Username/OGRID.

- 1. Left Click the Submissions drop down
- 2. Hover over Pits, Recycling Containments, and Tanks
- 3. Left Click [C-148] EP Recycling Liquid Oil Field Waste Report



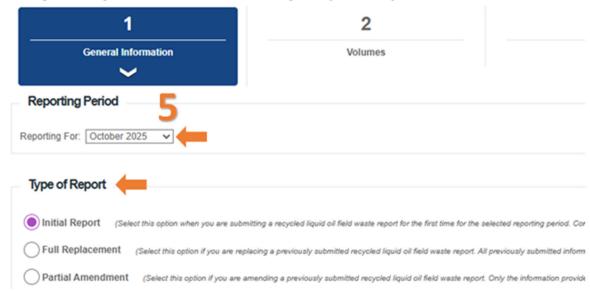
4. Left Click on "Create Liquids Oil Field Waste Report"



On the "1 – General Information" tab of the C-148 Recycling Liquids Oil Field Waste Report electronic permit requires that a Reporting Period to be selected first. The OGRID is automatically known based on the logged in user. Based upon these initial selections the electronic permit calculates the set of facilities that were owned by that Operator OGRID for at least 1 day during the Reporting Period in question and displays those facilities in Tab "2 Volumes."

5. Select the Reporting Period, and the type of report your submitting.

Recycle Liquid Oil Field Waste Report (403400)

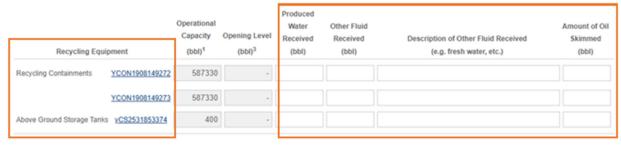


- 6. Left Click "2 Volumes." All available Facilities that are required to report for the selected Reporting period will automatically populate.
- 7. Left Click Edit to start data entry for each facility/containment.



- 8. Each Recycling Containment and/or Recycling Tanks that are associated with the facility and active during the selected reporting period will auto populate. Operators must fill in each field for all the containments/tanks.
 - Operational Capacity is pulled from the Containment Data (if this data is incorrect contact the Environmental Permitting Group).
 - Opening Level data will automatically import based on the closing volumes from the previous reported C-148 or will be blank on first report.
 - Misc Fluids Leaving Is designed to account for NATURAL evaporation, or in the event a leak etc. This allows operators to balance their Opening/Closing levels.

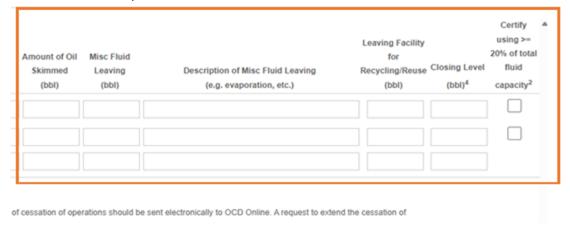
Recycling Facility Volumes for: [fAB1805848203] HAYHURST (HHNM) SEC 2 FRAC POND & RECYCLE FACILITY



- 1. For recycling containments, operational fluid capacity is the total volume of the containment, minus the volume utilized for the three feet volume of freeboard.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdraw, operation of the facility is considered ceased and a notification of cessation of operations, not to exceed six months, may be submitted using a C-147 Long Form to OCD Online
- 3. Number of barrels in the recycling containment or above ground store tank at the begin of the month. This is set from the closing level from last month.
- 4. Number of barrels in the recycling containment or above ground store tank at the end of the month. This will be used as the opening level for next month

^{*}Additional required information noted by the orange arrow is shown in the next image.

Operators must "Certify that Greater than or Equal to 20% of the total fluid capacity" has been used in the last 6 months. (If not the containment is considered to cease operations, please contact the Environmental Permitting group to provide notice and start closure/extensions).



Recycling Facility Volumes for: [fAB1805848203] HAYHURST (HHNM) SEC 2 FRAC POND & RECYCLE FACILITY

Recycling Equi	pment	Operational Capacity (bbl) ¹	Opening Level (bbl) ³	Produced Water Received (bbl)	Other Fluid Received (bbl)	Description of Other Fluid Received (e.g. fresh water, etc.)	Amount of Oil Skimmed (bbl)
Recycling Containments	YCON1908149272	587330	-	23570	10000	Brackish water	0
	YCON1908149273	587330	-	14000	0		0
Above Ground Storage Tanks	yCS2531853374	400	-	700	0		0

Misc Fluid Leaving (bbl)	Description of Misc Fluid Leaving (e.g. evaporation, etc.)	Leaving Facility for Recycling/Reuse (bbl)	Closing Level (bbl) ⁴	Certify using >= 20% of total fluid capacity ²
0		0	33570	~
0		4000	10000	~
0		500	300	

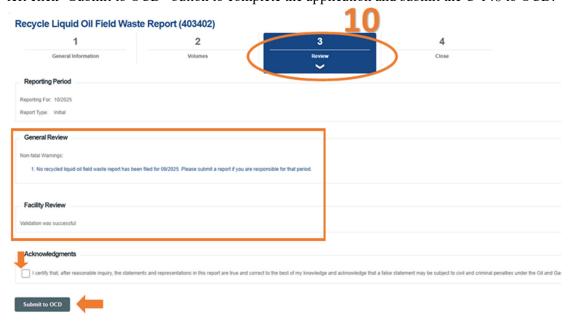
Left click the save button and repeat for each Facility and their associated Containments.
 Recycling Facility Volumes for: [fAB1805848203] HAYHURST (HHNM) SEC 2 FRAC POND



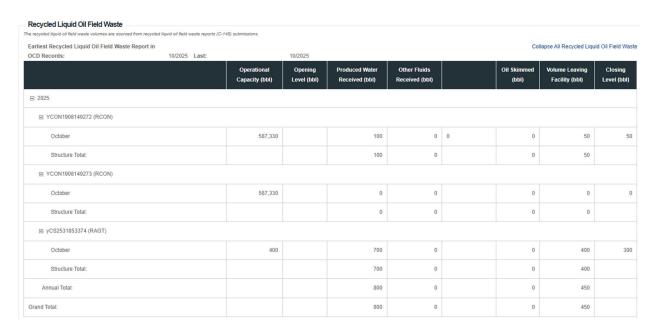
- 1. For recycling containments, operational fluid capacity is the total volume of the containment, minus the vo
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdraw, of operations, not to exceed six months, may be submitted using a C-147 Long Form to OCD Online
- 3. Number of barrels in the recycling containment or above ground store tank at the begin of the month. This
- 4. Number of barrels in the recycling containment or above ground store tank at the end of the month. This v



10. Left Click "3 Review" Tab. This Tab will automatically validate the proposed data and display any non-fatal warnings, or fatal warnings that the user must correct before the submissions can be submitted. Once you have reviewed the data Left click the Acknowledgment check box and then left click "Submit to OCD" button to complete the application and submit the C-148 to OCD.



The digital C-148 data will now be viewable in the Facility Details page for recycling facilities



Data will also be available in two new reports accessible by left clicking on Operator data in the top right corner of OCD Permitting.



<u>Produce Water Recycling Waste Details</u> report will give the user a detailed breakdown of a specific Operator(OGRID) for a single reporting period.

Produced Water Recycling Waste Detail Report
For: (4323) CHEVRON U S A INC
Reporting Period: October 2025
Printed On:Thursday, November 20 2025

				Fillite	u On. I nursuay, Nov	ember 20 2023				
HAYHURST (HHNM) SEC 2 FRA	AC POND & RECYCLE FACILITY [FAB1805848203] Sub-Structure Type	Operational Capacity	Opening Level	Produced Water Received	Other Fluids Received	Description Other Fluids Received	Oil Skimmed	Miscellaneous Fluids Description Miscellaneous Fluids	Volume Leaving Facility	Closing Le
YCON1908149272	Recycling Containment	587,330		100	0.0		0	0 0	50	
YCON1908149273	Recycling Containment	587.330		0	0		0	0	0	
yCS2531853374	Recycling Above Ground Storage Tank	400		700	0		0	0	400	
Total:		1,175,060		800					450	
Sub-Structure	Sub-Structure Type	Operational Capacity	Opening Level	Produced Water Received	Other Fluids Received	Description Other Fluids Received	Oil Skimmed	Miscellaneous Fluids Description Miscellaneous Fluids	Volume Leaving Facility	Closing Le
ycon1632349267	Recycling Containment	698,456		15,000	0		0	0	0	15,0
Total:		698,456		15,000						15,0
CHEVRON SALADO DRAW 13 I	RECYCLED WATER CONTAINMENT [FTO171643054	oj.								
Sub-Structure	Sub-Structure Type	Operational Capacity	Opening Level	Produced Water Received	Other Fluids Received	Description Other Fluids Received	Oil Skimmed	Miscellaneous Fluids Description Miscellaneous Fluids	Volume Leaving Facility	Closing Le
		322.080			0.0		0	0.0	0	
YCON1710849249	Recycling Containment									
YCON1710849249 ycon1710849250	Recycling Containment Recycling Containment	322,080	-	200	0 0		0	0 0	0	

Where: OGRID=4323, Reporting Period=October 2025

<u>Produce Water Recycling Operator Summary</u> report will allow the user to define a range of reporting periods in which the results will provide the users the Total volumes reported Per Operator during the selected range, along with no of recycling facilities.

Produced Water Recycling Waste Operator Summary
Reporting Periods: January 2025 to October 2025 Printed On:Thursday, November 20 2025

OGRID	Operator	Produced Water Received	Other Fluid Received	Oil Skimmed	Miscellaneous Fluids	Volume Leaving Facility	No. Recycling Facilities
4323	CHEVRON U S A INC	16,000	0	0	0	450	4
5380	XTO ENERGY, INC						1
6137	DEVON ENERGY PRODUCTION COMPANY, LP						3
7377	EOG RESOURCES INC						1
14744	MEWBOURNE OIL CO						1
16696	OXY USA INC						3
215099	Coterra Energy Operating Co.						1
217817	CONOCOPHILLIPS COMPANY						1
227718	MATADOR RESOURCES COMPANY						1
228937	MATADOR PRODUCTION COMPANY						3
229137	COG OPERATING LLC						1
246289	WPX Energy Permian, LLC						1
280737	BOPCO, L.P.						3
289068	SELECT WATER SOLUTIONS, LLC						1
289408	LOGOS OPERATING, LLC						2
326310	MARATHON OIL PERMIAN LLC						1
328947	Spur Energy Partners LLC						2
329748	Tascosa Energy Partners, L.L.C						2
330307	Vaughan Operating LLC						1
330968	Silverback Operating II, LLC						1
331255	Crockett Operating, LLC						1
331374	Pilot Water Solutions SWD LLC						2
332392	Legion Water Services, LLC						2
371643	SOLARIS WATER MIDSTREAM, LLC						3
371682	STEWARD ENERGY II, LLC						1
371838	DJR OPERATING, LLC						1
372043	TAP ROCK OPERATING, LLC					_	2
372137	CHISHOLM ENERGY OPERATING, LLC						1
372224	AMEREDEV OPERATING, LLC						1
372298	ENDURING RESOURCES, LLC						3
372338	NGL WATER SOLUTIONS PERMIAN, LLC						1
372417	ADVANCE ENERGY PARTNERS HAT MESA, LLC						1
372603	DKL Field Services, LLC						1
373075	XTO PERMIAN OPERATING LLC.						1
Total:		16,000	0	0	0	450	

Where: Reporting Periods=January 2025 to October 2025

1. volumes are reported using bbls.